

PHONOSCOPETM

Quote for

FRN 1136449

"2nd year
Construction Cost
for 143 sites"

Mr. Jim Liechty
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77098

Re: Clarification of quote for Houston Independent School District dated January 16, 2004

Dear Mr. Liechty:

Phonoscope is pleased to provide you with this clarification quote for the second year amortized construction cost for a one (1) Gig Managed Ethernet Circuit to each of the one hundred and forty-three (143) HISD site listed below provisioned over a Phonoscope owned fiber optic network infrastructure.

	School Site Name	Hub Site Name	Site Address	Total Construction Cost	Year Two Construction Cost Amortization SLD	Year Two Construction Cost Amortization HISD
1.	Briscoe Elem	Austin	321 Forest Hill	\$53,768.75	\$14,876.02	\$3,046.90
2.	Burnet Elem	Austin	5403 Canal	\$53,768.75	\$14,876.02	\$3,046.90
3.	Cage Elem	Austin	4528 Leeland	\$53,768.75	\$14,876.02	\$3,046.90
4.	Dezavala Elem	Austin	7521 Avenue H	\$53,768.75	\$14,876.02	\$3,046.90
5.	Dodson Elem	Austin	1808 Sampson	\$53,768.75	\$14,876.02	\$3,046.90
6.	Edison JR	Austin	6901 Avenue I	\$53,768.75	\$14,876.02	\$3,046.90
7.	Franklin Elem	Austin	7101 Canal	\$53,768.75	\$14,876.02	\$3,046.90
8.	Gallegos Elem	Austin	7415 Harrisburg	\$53,768.75	\$14,876.02	\$3,046.90
9.	Jackson JR	Austin	5100 Polk	\$53,768.75	\$14,876.02	\$3,046.90
10.	Jones, A. Elementary	Austin	2311 Canal	\$53,768.75	\$14,876.02	\$3,046.90
11.	Lantrip Elem	Austin	100 Telephone Rd	\$53,768.75	\$14,876.02	\$3,046.90
12.	Rusk Elem	Austin	2805 Garrow	\$53,768.75	\$14,876.02	\$3,046.90
13.	Tijerina Elem	Austin	6501 Sherman	\$53,768.75	\$14,876.02	\$3,046.90
14.	Blackshear Elem	Debakey	2900 Holman	\$53,768.75	\$14,876.02	\$3,046.90
15.	Brookline Elem	Debakey	6301 South Loop East	\$53,768.75	\$14,876.02	\$3,046.90

16.	Cullen JR	Debakey	6900 Scott St	\$53,768.75	\$14,876.02	\$3,046.90
17.	Foster Elem	Debakey	3919 Ward	\$53,768.75	\$14,876.02	\$3,046.90
18.	Golfcrest Elem	Debakey	7414 Fairway	\$53,768.75	\$14,876.02	\$3,046.90
19.	Jones HS	Debakey	7414 St Lo	\$53,768.75	\$14,876.02	\$3,046.90
20.	Kennedy Elem	Debakey	306 Crosstimbers	\$53,768.75	\$14,876.02	\$3,046.90
21.	Lockhart Elem	Debakey	35001 Southmore Blvd	\$53,768.75	\$14,876.02	\$3,046.90
22.	MacArthur Elem	Debakey	5909 England	\$53,768.75	\$14,876.02	\$3,046.90
23.	Middle College for Technology Careers (MCTC)	Debakey	3100 Cleburne	\$53,768.75	\$14,876.02	\$3,046.90
24.	Peck Elem	Debakey	5130 Arvilla	\$53,768.75	\$14,876.02	\$3,046.90
25.	Ryan JR	Debakey	2610 Elgin	\$53,768.75	\$14,876.02	\$3,046.90
26.	Seguin ES	Debakey	5905 Waltrip	\$53,768.75	\$14,876.02	\$3,046.90
27.	Thompson Elem	Debakey	3500 Tampa	\$53,768.75	\$14,876.02	\$3,046.90
28.	Turner Elem	Debakey	3200 Rosedale	\$53,768.75	\$14,876.02	\$3,046.90
29.	Whidby Elem	Debakey	7625 Springhill	\$53,768.75	\$14,876.02	\$3,046.90
30.	Yates HS	Debakey	3703 Sampson	\$53,768.75	\$14,876.02	\$3,046.90
31.	Ashford Elem	Lee	1815 Shannon Valley	\$53,768.75	\$14,876.02	\$3,046.90
32.	Askew, Jewel Elem	Lee	11200 Wood Lodge	\$53,768.75	\$14,876.02	\$3,046.90
33.	Bonham Elem	Lee	8302 Braes River	\$53,768.75	\$14,876.02	\$3,046.90
34.	Briargrove Elem	Lee	6145 San Felipe	\$53,768.75	\$14,876.02	\$3,046.90
35.	Neff Elem	Lee	8200 Carvel	\$53,768.75	\$14,876.02	\$3,046.90
36.	Pilgrim Elem	Lee	3315 Barrington	\$53,768.75	\$14,876.02	\$3,046.90
37.	Piney Point Elem	Lee	8921 Pagewood	\$53,768.75	\$14,876.02	\$3,046.90
38.	Revere JR	Lee	10502 Briar Forest	\$53,768.75	\$14,876.02	\$3,046.90
39.	Sharpstown JR	Lee	8330 Triola	\$53,768.75	\$14,876.02	\$3,046.90
40.	Sands Point ES	Lee	10550 West Office Dr.	\$53,768.75	\$14,876.02	\$3,046.90
41.	Sugar Grove Elem	Lee	8405 Bonhomme	\$53,768.75	\$14,876.02	\$3,046.90
42.	Walnut Bend Elem	Lee	10620 Briar Forest	\$53,768.75	\$14,876.02	\$3,046.90
43.	Bonner Elem	Milby	8100 El Rod	\$53,768.75	\$14,876.02	\$3,046.90
44.	Chavez HS	Milby	8501 Howard	\$53,768.75	\$14,876.02	\$3,046.90
45.	Cornelius Elem	Milby	7475 Westover	\$53,768.75	\$14,876.02	\$3,046.90
46.	Crespo Elem	Milby	7500 Office City Dr	\$53,768.75	\$14,876.02	\$3,046.90
47.	Davila Elem	Milby	7610 Dahlia	\$53,768.75	\$14,876.02	\$3,046.90
48.	Deady JH	Milby	2500 Broadway	\$53,768.75	\$14,876.02	\$3,046.90
49.	Garden Villas Elem	Milby	7185 Santa Fe	\$53,768.75	\$14,876.02	\$3,046.90
50.	Gregg Elem	Milby	6701 Roxbury	\$53,768.75	\$14,876.02	\$3,046.90
51.	Harris, J.R. Elem	Milby	801 Broadway	\$53,768.75	\$14,876.02	\$3,046.90
52.	Hartman JR	Milby	7111 Westover	\$53,768.75	\$14,876.02	\$3,046.90
53.	Lewis Elem	Milby	7649 Rockhill	\$53,768.75	\$14,876.02	\$3,046.90
54.	Park Place Elem	Milby	8235 Park Place	\$53,768.75	\$14,876.02	\$3,046.90
55.	Patterson Elem	Milby	5302 Allendale	\$53,768.75	\$14,876.02	\$3,046.90

56.	Rucker Elem	Milby	5201 Vinett	\$53,768.75	\$14,876.02	\$3,046.90
57.	Sanchez Elem	Milby	2700 Berkley	\$53,768.75	\$14,876.02	\$3,046.90
58.	Southmayd Elem	Milby	1800 Coral	\$53,768.75	\$14,876.02	\$3,046.90
59.	Barbara Jordan	Sam Houston		\$53,768.75	\$14,876.02	\$3,046.90
60.	Berry Elem	Sam Houston	2310 Berry Rd	\$53,768.75	\$14,876.02	\$3,046.90
61.	Burbank Elem	Sam Houston	216 Tidwell	\$53,768.75	\$14,876.02	\$3,046.90
62.	Burbank JR	Sam Houston	315 Berry Rd	\$53,768.75	\$14,876.02	\$3,046.90
63.	Chatham	Sam Houston	8110 Bertwood	\$53,768.75	\$14,876.02	\$3,046.90
64.	Coop Elem	Sam Houston	10130 Aldine Westfield	\$53,768.75	\$14,876.02	\$3,046.90
65.	Dechaumes Elem	Sam Houston	155 Cooper	\$53,768.75	\$14,876.02	\$3,046.90
66.	Durkee Elem	Sam Houston	7301 Nording	\$53,768.75	\$14,876.02	\$3,046.90
67.	Easter Elem	Sam Houston	4435 Weaver	\$53,768.75	\$14,876.02	\$3,046.90
68.	Fonville JR	Sam Houston	725 East Little York	\$53,768.75	\$14,876.02	\$3,046.90
69.	Garcia Elem	Sam Houston	9550 Aldine Westfield	\$53,768.75	\$14,876.02	\$3,046.90
70.	Heary Middle	Sam Houston	10702 E Hardy	\$53,768.75	\$14,876.02	\$3,046.90
71.	Herra Elem	Sam Houston	525 Bennington	\$53,768.75	\$14,876.02	\$3,046.90
72.	Houston Gardens Elem	Sam Houston	6820 Homestead	\$53,768.75	\$14,876.02	\$3,046.90
73.	Janowski Elem	Sam Houston	7500 Bauman	\$53,768.75	\$14,876.02	\$3,046.90
74.	Kasmere High	Sam Houston	6900 Wileyvale	\$53,768.75	\$14,876.02	\$3,046.90
75.	Key, F.S. Middle	Sam Houston	4000 Kelly	\$53,768.75	\$14,876.02	\$3,046.90
76.	Lyons Elem	Sam Houston	800 Roxella	\$53,768.75	\$14,876.02	\$3,046.90
77.	Northline ES	Sam Houston	821 Witcher	\$53,768.75	\$14,876.02	\$3,046.90
78.	Roosevelt Elem	Sam Houston	6700 Fulton	\$53,768.75	\$14,876.02	\$3,046.90
79.	Scarborough Elem	Sam Houston	3021 Little York	\$53,768.75	\$14,876.02	\$3,046.90
80.	Allen Elem	Waltrip	400 Victoria	\$53,768.75	\$14,876.02	\$3,046.90
81.	Benbrook Elem	Waltrip	4026 Bolin	\$53,768.75	\$14,876.02	\$3,046.90
82.	Black, F.M. JR	Waltrip	1575 Chantilly	\$53,768.75	\$14,876.02	\$3,046.90
83.	Clifton JR	Waltrip	6001 Golden Forest	\$53,768.75	\$14,876.02	\$3,046.90
84.	Garden Oaks Elem	Waltrip	901 Sue Barnett	\$53,768.75	\$14,876.02	\$3,046.90
85.	Highlands Heights Elem	Waltrip	865 Paul Quinn	\$53,768.75	\$14,876.02	\$3,046.90
86.	Hohl Elem	Waltrip	5320 Yale	\$53,768.75	\$14,876.02	\$3,046.90
87.	Holden Elem	Waltrip	812 W 28 th	\$53,768.75	\$14,876.02	\$3,046.90
88.	Kay On-Going Education HS	Waltrip	4425 North Shepherd	\$53,768.75	\$14,876.02	\$3,046.90
89.	Oak Forest Elem	Waltrip	1401 W. 43Rd	\$53,768.75	\$14,876.02	\$3,046.90
90.	Scarborough HS	Waltrip	4141 Coast Rica	\$53,768.75	\$14,876.02	\$3,046.90
91.	Sinclair Elem	Waltrip	6410 Grovewood	\$53,768.75	\$14,876.02	\$3,046.90

92.	Stevens Elem	Waltrip	1910 La Monte	\$53,768.75	\$14,876.02	\$3,046.90
93.	Wainwright Elem	Waltrip	5331 Milwee	\$53,768.75	\$14,876.02	\$3,046.90
94.	Washington, B.T. HS	Waltrip	119 E. 39th	\$53,768.75	\$14,876.02	\$3,046.90
95.	Gross ES	Westbury	12583 South Gessner	\$53,768.75	\$14,876.02	\$3,046.90
96.	Atherton Elem	Wheatly	2011 Solo	\$53,768.75	\$14,876.02	\$3,046.90
97.	Clinton Park Elem	Wheatly	158 Mississippi	\$53,768.75	\$14,876.02	\$3,046.90
98.	Concord Elem	Wheatly	5426 Cavalcade	\$53,768.75	\$14,876.02	\$3,046.90
99.	Crawford Elem	Wheatly	1510 Jenson	\$53,768.75	\$14,876.02	\$3,046.90
100.	Eilot Elem	Wheatly	6411 Laredo	\$53,768.75	\$14,876.02	\$3,046.90
101.	Fleming Middle	Wheatly	4910 Collingsworth	\$53,768.75	\$14,876.02	\$3,046.90
102.	Furr HS	Wheatly	520 Mercury	\$53,768.75	\$14,876.02	\$3,046.90
103.	Harris, R.P. Elem	Wheatly	1262 Mae	\$53,768.75	\$14,876.02	\$3,046.90
104.	Henderson, N.Q. Elem	Wheatly	701 Solo	\$53,768.75	\$14,876.02	\$3,046.90
105.	Holland JR	Wheatly	1600 Gellhorn	\$53,768.75	\$14,876.02	\$3,046.90
106.	Issacs Elem	Wheatly	3830 Pickfair	\$53,768.75	\$14,876.02	\$3,046.90
107.	Kashmere Gardens Elem	Wheatly	4901 Lockwood	\$53,768.75	\$14,876.02	\$3,046.90
108.	Kelso Elem	Wheatly	5800 Southmund	\$53,768.75	\$14,876.02	\$3,046.90
109.	Kolter Elem	Wheatly	9710 Runnymede	\$53,768.75	\$14,876.02	\$3,046.90
110.	Martinez, R. Elem	Wheatly	7211 Market	\$53,768.75	\$14,876.02	\$3,046.90
111.	McDade Elem	Wheatly	5815 Hirsch	\$53,768.75	\$14,876.02	\$3,046.90
112.	McReynolds JR	Wheatly	5910 Market	\$53,768.75	\$14,876.02	\$3,046.90
113.	Oates Elem	Wheatly	10044 Wallisville	\$53,768.75	\$14,876.02	\$3,046.90
114.	Pleasantville Elem	Wheatly	1431 Gellhorn	\$53,768.75	\$14,876.02	\$3,046.90
115.	Port Houston Elem	Wheatly	1800 McCarty	\$53,768.75	\$14,876.02	\$3,046.90
116.	Pugh Elem	Wheatly	1147 Kress	\$53,768.75	\$14,876.02	\$3,046.90
117.	Ross Elem	Wheatly	2819 Bay	\$53,768.75	\$14,876.02	\$3,046.90
118.	Scott Elem	Wheatly	3300 Russell	\$53,768.75	\$14,876.02	\$3,046.90
119.	Scroggins Elem	Wheatly	400 Boyles	\$53,768.75	\$14,876.02	\$3,046.90
120.	Smith Education Center	Wheatly	1701 Bringhurst	\$53,768.75	\$14,876.02	\$3,046.90
121.	Whittier Elem	Wheatly	10511 LaCrosse	\$53,768.75	\$14,876.02	\$3,046.90
122.	Almeda Elem	Worthing	14249 Bridgeport	\$53,768.75	\$14,876.02	\$3,046.90
123.	Attucks JR	Worthing	4330 Bellfort	\$53,768.75	\$14,876.02	\$3,046.90
124.	Carnegie Vanguard HS	Worthing	10401 Scott	\$53,768.75	\$14,876.02	\$3,046.90
125.	Dowling JR	Worthing	14000 Stancliff	\$53,768.75	\$14,876.02	\$3,046.90
126.	Fairchild Elem	Worthing	8701 Delilah	\$53,768.75	\$14,876.02	\$3,046.90
127.	Frost Elem	Worthing	5650 Selinsky	\$53,768.75	\$14,876.02	\$3,046.90
128.	Grimes Elem	Worthing	9220 Jutland	\$53,768.75	\$14,876.02	\$3,046.90
129.	Grissom Elem	Worthing	4900 Simsbrook	\$53,768.75	\$14,876.02	\$3,046.90
130.	Hobby Elem	Worthing	4021 Woodmont Dr	\$53,768.75	\$14,876.02	\$3,046.90
131.	Mading Elem	Worthing	8511 Crestmont	\$53,768.75	\$14,876.02	\$3,046.90
132.	Madison HS	Worthing	13719 White Heather	\$53,768.75	\$14,876.02	\$3,046.90

133.	Mitchell Elem	Worthing	10900 Gulfdale	\$53,768.75	\$14,876.02	\$3,046.90
134.	Montgomery Elem	Worthing	4000 Simsbrook	\$53,768.75	\$14,876.02	\$3,046.90
135.	Peterson Elem	Worthing	14404 Waterloo	\$53,768.75	\$14,876.02	\$3,046.90
136.	Reynolds Elem	Worthing	9601 Rosehaven	\$53,768.75	\$14,876.02	\$3,046.90
137.	Rhodes Elem	Worthing	4103 Brisbane	\$53,768.75	\$14,876.02	\$3,046.90
138.	Sterling Ross HS	Worthing	11625 Martindale	\$53,768.75	\$14,876.02	\$3,046.90
139.	Thomas JR	Worthing	5655 Selinsky	\$53,768.75	\$14,876.02	\$3,046.90
140.	Williams JR	Worthing	6100 Knox	\$53,768.75	\$14,876.02	\$3,046.90
141.	Winsor Village Elem	Worthing	14440 Polo	\$53,768.75	\$14,876.02	\$3,046.90
142.	Woodson MS	Worthing	10720 Southview	\$53,768.75	\$14,876.02	\$3,046.90
143.	Young Elem	Worthing	3555 Bellfort	\$53,768.75	\$14,876.02	\$3,046.90

\$7,688,931.25

\$2,127,270.98

\$435,706.10

Total Cost: \$2,562,977.08 *FRN 1136449*
Individual Cost: \$17,922.92

Please feel free to contact me with any questions.

Kind Regards,

David Caddle

6105 Westline Drive Houston, Texas 77036 Phone: 713-272-4600 Fax: 713-271-4334 www.phonscope.com

PHONOSCOPETM

Quote for
FRN 1136548

Mr. Jim Liechty
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77098

"Annual management
Service Fee for
143 sites"

Re: Clarification of quote for Houston Independent School District dated January 16, 2004

Dear Mr. Liechty:

Phonoscope is pleased to provide you with this clarification quote for the annual management of a one (1) Gig Managed Ethernet Circuit to each of the one hundred forty-three (143) HISD sites listed below provisioned over a Phonoscope owned fiber optic network infrastructure.

School Site Name		Hub Site Name	Site Address	Private IP Network Service Fee (Annual Management Fee)
1.	Briscoe Elem	Austin	321 Forest Hill	\$1,725.42
2.	Burnet Elem	Austin	5403 Canal	\$1,725.42
3.	Cage Elem	Austin	4528 Leeland	\$1,725.42
4.	Dezavala Elem	Austin	7521 Avenue H	\$1,725.42
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56.	Rucker Elem	Milby	5201 Vinett	\$1,725.42
57.	Sanchez Elem	Milby	2700 Berkley	\$1,725.42
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69.	Garcia Elem	Sam Houston	9550 Aldine Westfield	\$1,725.42
70.	Henry Middle	Sam Houston	10702 E Hardy	\$1,725.42
71.	Herra Elem	Sam Houston	525 Bennington	\$1,725.42
72.	Houston Gardens Elem	Sam Houston	6820 Homestead	\$1,725.42
73.	Janowski Elem	Sam Houston	7500 Bauman	\$1,725.42
74.	Kasmere High	Sam Houston	6900 Wileyvale	\$1,725.42
75.	Key, F.S. Middle	Sam Houston	4000 Kelly	\$1,725.42
76.	Lyons Elem	Sam Houston	800 Roxella	\$1,725.42
77.	Northline ES	Sam Houston	821 Witcher	\$1,725.42
78.	Roosevelt Elem	Sam Houston	6700 Fulton	\$1,725.42
79.	Scarborough Elem	Sam Houston	3021 Little York	\$1,725.42
80.	Allen Elem	Waltrip	400 Victoria	\$1,725.42
81.	Benbrook Elem	Waltrip	4026 Bolin	\$1,725.42
82.	Black, F.M. JR	Waltrip	1575 Chantilly	\$1,725.42
83.	Clifton JR	Waltrip	6001 Golden Forest	\$1,725.42
84.	Garden Oaks Elem	Waltrip	901 Sue Barnett	\$1,725.42
85.	Highlands Heights Elem	Waltrip	865 Paul Quinn	\$1,725.42
86.	Hohl Elem	Waltrip	5320 Yale	\$1,725.42
87.	Holden Elem	Waltrip	812 W 28 th St	\$1,725.42
88.	Kay On-Going Education HS	Waltrip	4425 North Shepherd	\$1,725.42
89.	Oak Forest Elem	Waltrip	1401 W. 43Rd	\$1,725.42
90.	Scarborough HS	Waltrip	4141 Coast Rica	\$1,725.42
91.	Sinclair Elem	Waltrip	6410 Grovewood	\$1,725.42
92.	Stevens Elem	Waltrip	1910 La Monte	\$1,725.42
93.	Wainwright Elem	Waltrip	5331 Milwee	\$1,725.42
94.	Washington, B.T. HS	Waltrip	119 E. 39th	\$1,725.42
95.	Gross ES	Westbury	12583 South Gessner	\$1,725.42
96.	Atherton Elem	Wheatly	2011 Solo	\$1,725.42
97.	Clinton Park Elem	Wheatly	158 Mississippi	\$1,725.42
98.	Concord Elem	Wheatly	5426 Cavalcade	\$1,725.42
99.	Crawford Elem	Wheatly	1510 Jenson	\$1,725.42

100.	Eilot Elem	Wheatly	6411 Laredo	\$1,725.42
101.	Fleming Middle	Wheatly	4910 Collingsworth	\$1,725.42
102.	Furr HS	Wheatly	520 Mercury	\$1,725.42
103.	Harris, R.P. Elem	Wheatly	1262 Mae	\$1,725.42
104.	Henderson, N.Q. Elem	Wheatly	701 Solo	\$1,725.42
105.	Holland JR	Wheatly	1600 Gellhorn	\$1,725.42
106.	Issacs Elem	Wheatly	3830 Pickfair	\$1,725.42
107.	Kashmere Gardens Elem	Wheatly	4901 Lockwood	\$1,725.42
108.	Kelso Elem	Wheatly	5800 Southmund	\$1,725.42
109.	Kolter Elem	Wheatly	9710 Runnymede	\$1,725.42
110.	Martinez, R. Elem	Wheatly	7211 Market	\$1,725.42
111.	McDade Elem	Wheatly	5815 Hirsch	\$1,725.42
112.	McReynolds JR	Wheatly	5910 Market	\$1,725.42
113.	Oates Elem.	Wheatly	10044 Wallisville	\$1,725.42
114.	Pleasantville Elem	Wheatly	1431 Gellhorn	\$1,725.42
115.	Port Houston Elem	Wheatly	1800 McCarty	\$1,725.42
116.	Pugh Elem	Wheatly	1147 Kress	\$1,725.42
117.	Ross Elem	Wheatly	2819 Bay	\$1,725.42
118.	Scott Elem	Wheatly	3300 Russell	\$1,725.42
119.	Scroggins Elem	Wheatly	400 Boyles	\$1,725.42
120.	Smith Education Center	Wheatly	1701 Bringham	\$1,725.42
121.	Whittier Elem	Wheatly	10511 LaCrosse	\$1,725.42
122.	Almeda Elem	Worthing	14249 Bridgeport	\$1,725.42
123.	Attucks JR	Worthing	4330 Bellfort	\$1,725.42
124.	Carnegie Vanguard HS	Worthing	10401 Scott	\$1,725.42
125.	Dowling JR	Worthing	14000 Stancliff	\$1,725.42
126.	Fairchild Elem	Worthing	8701 Delilah	\$1,725.42
127.	Frost Elem	Worthing	5650 Selinsky	\$1,725.42
128.	Grimes Elem	Worthing	9220 Jutland	\$1,725.42
129.	Grissom Elem	Worthing	4900 Simsbrook	\$1,725.42
130.	Hobby Elem	Worthing	4021 Woodmont Dr	\$1,725.42
131.	Mading Elem	Worthing	8511 Crestmont	\$1,725.42
132.	Madison HS	Worthing	13719 White Heather	\$1,725.42
133.	Mitchell Elem	Worthing	10900 Gulfdale	\$1,725.42
134.	Montgomery Elem	Worthing	4000 Simsbrook	\$1,725.42
135.	Peterson Elem	Worthing	14404 Waterloo	\$1,725.42
136.	Reynolds Elem	Worthing	9601 Rosehaven	\$1,725.42
137.	Rhodes Elem	Worthing	4103 Brisbane	\$1,725.42
138.	Sterling Ross HS	Worthing	11625 Martindale	\$1,725.42
139.	Thomas JR	Worthing	5655 Selinsky	\$1,725.42

140.	Williams JR	Worthing	6100 Knox	\$1,725.42
141.	Winsor Village Elem	Worthing	14440 Polo	\$1,725.42
142	Woodson MS	Worthing	10720 Southview	\$1,725.42
143.	Young Elem	Worthing	3555 Bellfort	\$1,725.42
			Total	\$246,735.06

Total Cost: \$246,735.06 FRN 1136548
Individual Cost: \$1,725.42

Please feel free to contact me with any questions.

Kind Regards,

David Caddle

Mr. Jim Liechty
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77098

Re: Revision of Quote for Houston Independent School District dated January 16, 2004

Dear Mr. Liechty:

Phonoscope is pleased to provide you with this revised quote for covering first year construction cost for one (1) Gig Managed Circuit to each of the thirty five (35) HISD sites listed below provisioned over a Phonoscope owned fiber optic network infrastructure.

School Name	Hub Site Name	Site Address	Total Construction Cost	Year One Construction Cost Amortization SLD	Year One Construction Cost Amortization HISD
ALCOTT ES	Worthing	5850 Bellfort	\$49,785.00	\$13,773.85	\$2,821.15
BARRICK ES	Houston	12001 Wintrey	\$49,785.00	\$13,773.85	\$2,821.15
BASTIAN ES	Worthing	7350 Calhoun	\$49,785.00	\$13,773.85	\$2,821.15
BELLFORT SCHOOL	Milby	7647 Bellfort	\$49,785.00	\$13,773.85	\$2,821.15
BOWIE ES	Houston	7501 Curry Road	\$49,785.00	\$13,773.85	\$2,821.15
BRIARMEADOW MS	Lee	3601 Dunvale	\$49,785.00	\$13,773.85	\$2,821.15
BRUCE ES	Wheatley	713 Bringham	\$49,785.00	\$13,773.85	\$2,821.15
CARRILLO ES	Austin	960 South Wayside	\$49,785.00	\$13,773.85	\$2,821.15
CEP SOUTHEAST (CEP Ferrdale)	Milby	8805 Ferrdale	\$49,785.00	\$13,773.85	\$2,821.15
CEP SOUTHWEST (CEP Beechnut)	Lee	7055 Beechnut	\$49,785.00	\$13,773.85	\$2,821.15
CODWELL ES	Worthing	5225 Travenor	\$49,785.00	\$13,773.85	\$2,821.15
DANIEL ORTIZ MS	Milby	6767 Telephone	\$49,785.00	\$13,773.85	\$2,821.15
DOGAN ES	Wheatley	4202 Liberty	\$49,785.00	\$13,773.85	\$2,821.15
DOUGLASS ES	DeBakey	3000 Truiley	\$49,785.00	\$13,773.85	\$2,821.15
DURHAM ES	Waltrip	4813 Brinkman	\$49,785.00	\$13,773.85	\$2,821.15
EASTWOOD ACADEMY	Austin	1315 Dumble	\$49,785.00	\$13,773.85	\$2,821.15

Quote for
FRW 1136899
1st year Construction Cost
for 35 sites

HARTSFIELD ES	DeBakey	5850 Balliot	\$49,785.00	\$13,773.85	\$2,821.15
HENDERSON, JP ES	Austin	12001 Wintley	\$49,785.00	\$13,773.85	\$2,821.15
JUDSON ROBINSON ES	Wheatley	12425 Woodforest Dr.	\$49,785.00	\$13,773.85	\$2,821.15
KAY ON-GOING MS	Waitrip	4425 N. Shepherd	\$49,785.00	\$13,773.85	\$2,821.15
CARTER CAREER CTR	Wheatley	1700 Gregg	\$49,785.00	\$13,773.85	\$2,821.15
LANGSTON ECDC	Davis	2815 Campbell	\$49,785.00	\$13,773.85	\$2,821.15
LAS AMERICAS (KALEIDOSCOPE, Early, MS)	Lee	5909 Glenmont	\$49,785.00	\$13,773.85	\$2,821.15
LAW ES	Worthing	12401 South Coast	\$49,785.00	\$13,773.85	\$2,821.15
NINTH GRADE SKILL (THOMAS MS)	Lee	5655 Selinsky	\$49,785.00	\$13,773.85	\$2,821.15
OSBORNE ES	Waitrip	800 Ringgold	\$49,785.00	\$13,773.85	\$2,821.15
SANDERSON ES	Wheatley	7115 Lockwood	\$49,785.00	\$13,773.85	\$2,821.15
SCHOOL AT POST OAK (GALLERIA)	Lee	1331 Augusta	\$49,785.00	\$13,773.85	\$2,821.15
SHARPIVIEW ELEM	Lee	7734 Mary Bates Blvd.	\$49,785.00	\$13,773.85	\$2,821.15
SMITH, K ES	Waitrip	4802 Chrysler	\$49,785.00	\$13,773.85	\$2,821.15
STEVENSON MS	Milby	9595 Winkler	\$49,785.00	\$13,773.85	\$2,821.15
TSU ES	DeBakey	3805 Burkett	\$49,785.00	\$13,773.85	\$2,821.15
WESLEY ES	Waitrip	800 Dillard	\$49,785.00	\$13,773.85	\$2,821.15
WOODSON ES	Worthing	10720 Southview	\$49,785.00	\$13,773.85	\$2,821.15
YOUNG SCHOLARS	White	1809 Louisiana	\$1,742,475.00	\$482,084.75	\$98,740.25

Total Amortization Construction cost for Year 1 \$580,825.00
Total Amortization Construction cost for each site for Year 1 \$ 16,595.00

\$580,825.00
FRN 1136899

Please feel free to contact me with any questions at 832-615-7721.

Kind Regards,

David Caddle

6105 WESTLINE DRIVE
HOUSTON, TEXAS 77036-3515

Attachment 4
Administrator's Decision on Appeal

Administrator's Decision on Appeal Funding Year 2004-2005

January 18, 2005

24

William L. Edwards
Houston Independent School District
Hattie Mae White Administration Building
3830 Richmond Avenue
Houston, TX 77027-5838

Re: Applicant Name: Houston Independent School District
Billed Entity Number: 141223
Form 471 Application Number: 398831
Funding Request Number(s): 1135973, 1136206, 1136285, 1136449, 1136548,
1136899
Your Correspondence Dated: August 6, 2004

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of SLD's Funding Year 2004 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number: 1135973, 1136206, 1136285, 1136449, 1136548,
1136899

Decision on Appeal: **Denied in full**

Explanation:

- In the appeal letter, you argue that the request was not for a dark fiber private network. You state that the fiber is lit and completely managed by the service provider because the GBICs in your switches only exist to physically accept the final handoff to HISD schools' local area networks from the provider's GBICs. You include a letter from the service provider outlining the services they provide for Houston's Private IP Network.
- After thorough review of the appeal, relevant facts and documentation, it has been determined that you requested funds for the Installation and Management of Dark Fiber Service and a Private Network which are ineligible products/services based on program rules.

The contract and related documentation submitted in support of these requests clearly indicates that the services requested consist of the previously mentioned ineligible items. You state that the request is not for dark fiber and contend that the fiber is lit. However, the SLD is not allowed to accept information on appeal that contradicts information received during the initial application review. You have failed to provide evidence that SLD has erred in its decision.

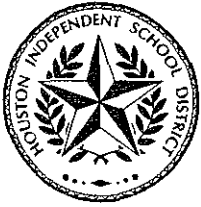
- Your Form 471 application included costs for the following ineligible products and/or services: Installation and Management of a Dark Fiber Service and a Private Network. FCC rules provide that discounts may be approved only for eligible products and/or services. 47 C.F.R. §§ 54.502, 54.503. The USAC web site contains a list of eligible products and/or services. See the web site, www.sl.universalservice.org, Eligible Services List. FCC rules require that if 30% or more of an applicant's funding request includes ineligible products and/or services, the funding request must be denied. 47 C.F.R. § 54.504(c)(1). 100% of your funding request was for ineligible products and/or services. Therefore, your funding request was denied. You did not demonstrate in your appeal that your request included less than 30% for ineligible products and/or services. Consequently, SLD denies your appeal.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

Attachment 5
Letter of Appeal to Schools and Libraries Division and
related correspondence



HOUSTON INDEPENDENT SCHOOL DISTRICT

HATTIE MAE WHITE ADMINISTRATION BUILDING
3830 RICHMOND AVENUE • HOUSTON, TEXAS 77027-5838

ABELARDO SAAVEDRA, Ph.D.
Interim Superintendent of Schools

COPY

Letter of Appeal
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981

As pertains to:

Applicant: Houston Independent School District

Form 471 Application: 398823

Billed Entity Number: 141223

Funding Year: 2004

FRN: 1135973, 1136206, 1136285, 1136449, 1136548, 1136899

Pre-discount Amount: \$5,328,686.85 (total for 6 FRNs)

Amount of Funding Request: \$4,422,810.09 (total for 6 FRNs)

Funding Commitment Decision: Not Funded

July 22, 2004

To Whom It May Concern:

Houston Independent School District (HISD) wishes to appeal the decision for the Year 2004 funding commitment decision letter dated June 30, 2004 471 Application number 398823, pertaining to funding request numbers:

- 1135973, representing the request for annual management fees for Phonoscope, LTC ("Phonoscope") fiber and modulating equipment serving 11 "hub" sites and feeder schools within HISD.
- 1136206, representing the request for the final year of a 3-year amortized cost for installation of Phonoscope fiber and modulating equipment serving 83 school sites within HISD.
- 1136285, representing the request for annual management fees for Phonoscope fiber and modulating equipment serving 83 schools within HISD.
- 1136449, representing the request for the second year of a 3-year amortized cost for installation of Phonoscope fiber and modulating equipment serving 143 school sites within HISD.
- 1136548, representing the request for annual management fees for Phonoscope fiber and modulating equipment serving 143 schools within HISD.
- 1136899, representing the request for the first year of a 3-year amortized cost for installation of Phonoscope fiber and modulating equipment serving 35 school sites within HISD.

The funding commitment decision explanation states:

“30% or more of this FRN includes a request for Dark Fiber and a Private Network which is an ineligible product based on program rules.”

HISD disagrees with the stated funding commitment decision for the given funding requests. Included is a letter from the service provider, Phonoscope, indicating the type of managed service they provide to HISD (see Exhibit 1). The Fiber Optic Network managed by Phonoscope has three notable segments:

A.) **Ring** - a managed “lit fiber” ring around the district that contains several major “hub” sites to which several “spoke” or “feeder” sites connect.

B.) **Ring to feeder** - a managed “lit fiber” connection from the ring “hub” sites to several “spoke” or “feeder” sites.

C.) **Final handoff to HISD schools’ local-area networks** - A managed lit fiber “final handoff” link at every site (both hub and feeder) between the provider’s network switch GBIC and our network switch GBIC. From HISD’s local network point of view, *the first inline piece of modulating equipment* that interfaces with HISD’s handoff link at each site is the modulating GBIC device located within Phonoscope’s managed uplink switch.

For cases A and B above, clearly the provider is managing a lit fiber service for HISD. At every site they provide a modulated lit fiber connection that is handed off to an existing local network in HISD. Also, note that for the Fiber Optic Network to operate, modulating electronics are provided by Phonoscope for all pathways along the fiber network. To paraphrase, the Fiber Optic Network is completely managed by our provider, Phonoscope. HISD receives a lit-fiber handoff from Phonoscope at each HISD site, and Phonoscope totally manages the inner workings of the Fiber Optic Network using their own fiber, switches, and modulating electronics.

There is one ambiguous point concerning case C for the Fiber Optic Network described above, pertaining to the FCC/SLD guidelines. It appears that the changes posed by the new FCC regulations on dark fiber services only relate to the fiber connection mentioned in our case C above. This is the point of final handoff of fiber between the Phonoscope-managed network “GBIC” and HISD’s GBIC for the local network at each school. **To clarify this issue, we would like to point out that the Phonoscope uplink GBIC at each site is the first inline piece of equipment acting as modulating electronics, for the final handoff link between the provider and HISD. The fiber link would not be operable if we attempt to bypass the provider’s (Phonoscope) GBIC and connect directly to the uplink fiber. The GBIC cards in our local switches that may be deemed as modulating equipment by the FCC only exist to physically accept the handoff “lit fiber” from Phonoscope, and are not represented in the above funding requests. The GBIC cards in our local switches are not sufficient to be considered as “modulating electronics” to directly accept the fiber from Phonoscope without first connecting to the Phonoscope GBIC and device.**

HISD did not request funding for Dark Fiber and a Private Network, therefore we respectfully ask SLD to reconsider their decision not to fund the six FRNs represented in this appeal. Please contact me for any further information you may require. I look forward to hearing from the SLD very soon.

Contact Name: Jacqueline Martin

Address: 3830 Richmond Ave. Level 2 East, Houston, TX 77027

Telephone: (713) 892-6222 x307

Fax: (713) 892-6749

Contact e-mail: jmartin6@houstonisd.org

Sincerely,

A handwritten signature in cursive script, reading "W L Edwards".

William L. Edwards

Assistant Superintendent

Exhibit 1

P H N S C P E TM

July 8, 2004

Appeals
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981

Re: Houston ISD - BEN 141223 - 471 #398831

Dear Sir:

In response to your notification to the Houston Independent School District declining funding for Application 398831 we are responding to Wave 06 with the following:

Phonoscope's Private IP Network is turn-key and includes items such as:

1. Network Design and Engineering
2. Submit and retain all necessary permits, rights-of-way, consents, licenses, and pole attachment fees
3. Fiber optic cable construction (both aerial and underground)
4. Conduit from the right-of-way to the school demarcation point
5. Installation, splicing, termination, and testing of the fiber optic cable utilized in provision of the managed Gigabit Ethernet circuits
6. Testing and certification of the managed circuit
7. Project Management
8. Delivery of service activation certification and acceptance documents
9. 24 x 7 x 365 monitoring of the Gigabit Ethernet circuits
10. Preventative and demand maintenance as necessary to effectively support the leased services
11. All necessary labor

Phonoscope's IP Network

Phonoscope's Private IP Network (PIN) is a turn-key service that provides Gigabit Ethernet circuits to commercial, residential, governmental, medical, and educational entities provisioned over a Phonoscope owned and managed fiber optic Ethernet network.

A typical network configuration of a Private IP network for education institutions, including Houston Independent School District, consists of fiber optic cabling which terminates at individual schools and feeds into one of several main hubs. Through this network distribution architecture, Internet service is distributed to each school site.

Phonoscope provisions the Gigabit Ethernet circuits utilizing "Private IP" addresses for managing and monitoring Phonoscope's Metropolitan Area Network ensuring higher reliability and security.

Phonoscope's Private IP Network services are offered and provisioned over a single shared, integrated facilities-based Metropolitan Area Network encompassing five counties in the Greater Houston area and is available on a leased basis only.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Rhonda Druke', followed by a long horizontal flourish.

Rhonda Druke, President

Cc: William L. Edwards, Houston Independent School District
Jacqueline Martin, Houston Independent School District



Universal Service Administrative Company
Schools & Libraries Division

July 28, 2004

William L. Edwards
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77027

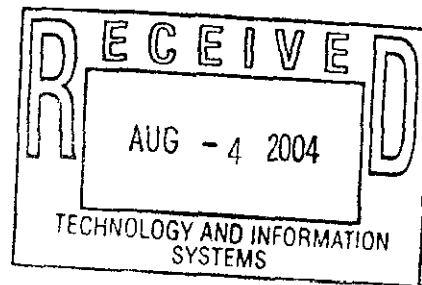
William L. Edwards:

The Schools and Libraries Division of the Universal Service Administrative Company has received your correspondence on July 22, 2004 regarding the 2004-2005 funding decision on your 471 application numbers 398823. These are the steps that will now follow:

1. We will review your correspondence carefully to identify the specific issue(s) it raises.
2. We will consult the program integrity assurance records and all supporting documentation for the application. Our goal is to determine whether the program rules were administered appropriately in processing your application.
3. Once the review process is completed we will respond in writing and state whether your appeal is approved, denied or approved in part. We will then follow with a funding commitment decision letter for any approved appeal resulting in additional discounts for your application. Funds have been set aside to implement funding decisions for appeals approved by the SLD and/or the Federal Communications Commission.

We have begun in-depth review of the appeals we have received, and our goal is to respond to you as promptly as possible. We thank you in advance for your patience as we handle your case with the care and attention it deserves.

Schools and Libraries Division
Universal Service Administrative Company





HOUSTON INDEPENDENT SCHOOL DISTRICT

HATTIE MAE WHITE ADMINISTRATION BUILDING

3830 RICHMOND AVENUE, HOUSTON, TEXAS 77027-5838 • TEL: 713-892-6222 FAX: 713-892-6749

August 6, 2004

Letter of Appeal
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981
VIA FAX: 973-599-6542, 7 pages

As pertains to:

CASE ID #21-115946

Applicant: Houston Independent School District

BEN: 141223

Funding Year: 2004

Form 471 Application: 398831

FRN: 1135973, 1136206, 1136285, 1136449, 1136548, 1136899

Pre-discount Amount: \$5,328,686.85 (total for 6 FRNs)

Amount of Funding Request: \$4,422,810.09 (total for 6 FRNs)

Funding Commitment Decision: Not Funded

To Whom It May Concern:

Houston Independent School District (HISD) wishes to correct the letter of appeal dated July 22, 2004. We received a letter on August 4, 2004 acknowledging that USAC has received our letter of appeal. We noticed when reviewing the USAC letter that there is an error in the Form 471 Application number for this appeal. We wish to make the following correction to the letter of appeal:

Form 471 Application Number should be 398831. No corrections to the Funding Request Numbers in our appeal are needed.

Please refer to the attached corrected copy of the letter of appeal where the correction is also noted. Houston ISD would appreciate receiving an acknowledgement from USAC that they have received this request, and noted the correction. I look forward to hearing from SLD soon.

Sincerely,

Contact Name: Jacqueline Martin

Address: 3830 Richmond Ave. Level 2 East, Houston, TX 77027

Telephone: (713) 892-6222 x307

Fax: (713) 892-6749

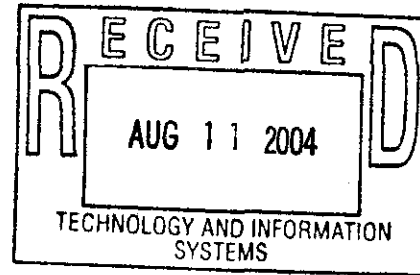
Contact e-mail: jmartin6@houstonisd.org



Universal Service Administrative Company
Schools & Libraries Division

August 9, 2004

Jacqueline Martin
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77027



Jacqueline Martin:

The Schools and Libraries Division of the Universal Service Administrative Company has received your correspondence on August 6, 2004 regarding the 2004-2005 funding decision on your 471 application number 398831. These are the steps that will now follow:

1. We will review your correspondence carefully to identify the specific issue(s) it raises.
2. We will consult the program integrity assurance records and all supporting documentation for the application. Our goal is to determine whether the program rules were administered appropriately in processing your application.
3. Once the review process is completed we will respond in writing and state whether your appeal is approved, denied or approved in part. We will then follow with a funding commitment decision letter for any approved appeal resulting in additional discounts for your application. Funds have been set aside to implement funding decisions for appeals approved by the SLD and/or the Federal Communications Commission.

We have begun in-depth review of the appeals we have received, and our goal is to respond to you as promptly as possible. We thank you in advance for your patience as we handle your case with the care and attention it deserves.

Schools and Libraries Division
Universal Service Administrative Company